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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 29, 2001

APPLICATION OF

BIT NETWORKS, LLC

CASE NO. PUC010093

For certificates of public
convenience and necessity to
provide local exchange and
interexchange telecommunications
services

FINAL ORDER

On April 3, 2001, BIT Networks, LLC ("BIT" or the "Company"), completed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated April 19, 2001, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to BIT's application. On May 16, 2001, BIT, by counsel, filed proof of publication and proof of service as required by the April 19, 2001, Order.

On June 5, 2001, the Staff filed its Report finding that BIT's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of BIT's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following condition: Should the Company collect customer deposits, it shall establish and maintain an escrow account for such funds held by an unaffiliated third party in a Virginia bank and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on June 19, 2001. At the hearing, the application and accompanying attachments were entered into the record without objection. Also at the hearing, Commission Staff counsel submitted, and the Commission accepted, a revision agreed to by both Staff and BIT to the condition in Staff's Report requiring customer deposits to be held in an escrow account. The revision amended the first sentence of the condition as follows: "Should BIT collect customer deposits, it

shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union[] that is unaffiliated with BIT[] and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change." No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, including the amendment introduced at the hearing, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that the Company may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) BIT Networks, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-157A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) BIT Networks, LLC, is hereby granted a certificate of public convenience and necessity, No. T-563, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive

Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should BIT collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with BIT and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.